

Below is a Memorandum Decision of  
the Court.



*Mary Jo Heston*  
**Mary Jo Heston**

**U.S. Bankruptcy Judge**

(Dated as of Entered on Docket date above)

**UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF WASHINGTON AT TACOMA**

In re:

SINGH BROS EXPRESS LLC, et al.,<sup>1</sup>

Debtors,

KULDIP SINGH, et al.,<sup>2</sup>

Debtors.

Lead Case No. 24-42600-MJH

(Jointly Administered)

Lead Case No. 24-42602-MJH

(Jointly Administered)

**MEMORANDUM DECISION ON: 1)  
ALL TRACK'S MOTIONS FOR  
RELIEF FROM STAY TO ACCESS  
FUNDS IN STATE COURT  
REGISTRY; AND 2) DEBTORS'  
MOTION FOR RELIEF FROM STAY  
TO APPEAL STATE COURT ORDERS**

<sup>1</sup> In addition to the lead corporate Debtor identified above, this case is being jointly administered with the chapter 11 cases of corporate debtors Singh Bros Transport LLC (24-42676-MJH) and Singh Bros Trucking LLC (24-42678-MJH).

<sup>2</sup> The bankruptcy case of individual debtor Kuldip Singh is similarly being jointly administered with the chapter 11 case of individual debtor Surjit Singh (24-42603-MJH).

1 This matter came before the Court on the following described three separate but  
2 related motions for relief from stay under 11 U.S.C. § 362(d).<sup>3</sup> First, All Track Transport  
3 USA Inc. (“All Track” or “Creditor”), filed a motion under 11 U.S.C. § 362(d)(1) and (2) in  
4 the chapter 11 cases of corporate debtors Singh Bros Express LLC (“Express”), Singh Bros  
5 Transport LLC (“Transport”), and Singh Bros Trucking LLC (“Trucking”) (collectively  
6 “Corporate Debtors”) jointly administered under Singh Bros Express LLC, Bankr. Case  
7 No. 24-42600, seeking entry of an order authorizing All Track to take immediate<sup>4</sup> custody  
8 and control of the approximately \$3,266,000 (“Registry Funds”) deposited in connection  
9 with state court litigation pending before the Washington State Pierce County Superior  
10 Court, Department 1, under Cause No. 23-2-08438-7.

11 Second, All Track filed an identical motion (collectively with the first motion referred  
12 to as the “All Track’s Motions”) seeking the same relief in the bankruptcy cases of  
13 individual debtors Kuldip Singh and Surjit Singh (collectively “Individual Debtors”) being  
14 jointly administered under Kuldip Singh, et al., Bankr. Case No. 24-42602 (collectively,  
15 the Corporate Debtors and Individual Debtors will be referred to as “Debtors” or “Singh  
16 Brothers”).

17 Third, the Corporate Debtors filed a motion, which was joined by the Individual  
18 Debtors (“Debtors’ Motion”), seeking relief from stay solely to permit them to proceed with  
19 the consolidated appeals (“Appeals”),<sup>5</sup> pending in the Washington State Court of Appeals,  
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21 <sup>3</sup> Unless otherwise indicated, all chapter, section, and rule references are to the Federal Bankruptcy  
22 Code, 11 U.S.C. § 101–1532, and to the Federal Rules of Bankruptcy Procedure, 1001–9037.

23 <sup>4</sup> As part of All Track’s Motions, it seeks a waiver or shortening of the stay period under Fed. R. Bankr.  
P. 4001(a)(4).

24 <sup>5</sup> As more fully discussed below, three appeals of various orders of different Washington State Superior  
25 Court departments relevant to the Motions are now pending and consolidated before the Washington State  
26 Court of Appeals, Division II (“Court of Appeals”). The first is the appeal of the various Washington State  
27 Superior Court orders requiring the Debtors to deposit the Registry Funds (“Preliminary Injunction  
Appeal”). The second is the appeal of the rescission judgment, which ordered the rescission of the sales  
contract between the parties while also allowing All Track to retain possession of the Debtors’ assets  
transferred in the sale (“Rescission Judgment Appeal”). The third is the appeal related to the asserted right  
of the sale broker to a portion of the Registry Funds for payment of his broker’s fee in connection with the

1 Division II (collectively All Track's Motions and the Debtors' Motions will be referred to  
2 as "Motions").

3 On February 6, 2025, the Court heard oral arguments on All Track's Motions and the  
4 Debtors' Motion and, having found that the Debtors were likely to prevail, took the  
5 Motions under advisement. Having considered the arguments of counsel, the pleadings,  
6 and other documents in the record, the Court hereby makes the following findings of fact  
7 and conclusions of law pursuant to Fed. R. Civ. P. 52(a), made applicable by Fed. R. Bankr.  
8 P. 9014(c) and 7052.

### 9 I. JURISDICTION

10 The Court has jurisdiction pursuant to 28 U.S.C. § 1334. Venue is proper before this  
11 Court pursuant to 28 U.S.C. § 1408. This is a core proceeding pursuant to 28 U.S.C.  
12 § 157(b)(2)(A) and (G).

### 13 II. PROCEDURAL HISTORY AND FACTUAL BACKGROUND

14 The factual background of this case is complicated, disputed by the parties, and subject  
15 to the Appeals. However, the following recitation of facts relevant to All Track's and the  
16 Debtors' Motions is undisputed.

#### 17 A. ASSET PURCHASE AND SALE AGREEMENT

18 Transport and Trucking operated a trucking, drayage, and freight-hauling business at  
19 the Port of Tacoma. Singh Decl. Resp., 2:8-9, ECF No. 106. In May 2023, the Debtors,  
20 Transport and Trucking, sold substantially all their assets, including semi-truck tractors  
21 and trailer chassis, to All Track under a written Asset Purchase and Sale Agreement  
22 ("APA") for a total purchase price of \$3,474,858 ("Purchase Price"). Bricken Decl., 1:22-2:1,  
23 ECF No. 72; Singh Decl. Resp., 2:9-12. Express was not a party to the APA. The APA  
24 contained an express warranty that the trucks were "in compliance in all material respects  
25 with all applicable statutes, ordinances, rules, and regulations," including environmental,

26 \_\_\_\_\_  
27 sale of assets ("Broker's Appeal"), which arose out of a separate Washington State Pierce County Superior  
Court case pending in Department 5 under Cause No. 23-2-10639-9.

1 health, and safety requirements. Bricken Decl., Ex. 1 ¶ 14. The business broker,  
2 Transition360, LLC (“T360”), was to be paid a success fee out of the escrow account from  
3 the sale proceeds of 10% of the total selling price. Brain Decl., 1:2-27, ECF No. 99; Singh  
4 Decl. Resp., 2:18-20. Before closing, All Track deposited the Purchase Price into an escrow  
5 account maintained by Des Moines Escrow (“Escrow Account”). Bricken Decl., 1:24-2:1.

6 The sale closed on or around May 23, 2023, and most of the funds were distributed from  
7 the Escrow Account to Transport and Trucking. Singh Decl. Resp., 2:21-22. However,  
8 \$796,532, representing a \$300,000 indemnification holdback and the broker fee for T360,  
9 remained in the Escrow Account. Singh Decl. Resp., 2:23-3:2.

## 10 B. SUPERIOR COURT LAWSUITS

11 Shortly after the APA closed, All Track discovered that the emissions control systems  
12 in at least 30 of 36 semi-trucks purchased under the APA had been tampered with. Bricken  
13 Decl., 2:1-6. According to All Track, the tampering constituted a violation of the Clean Air  
14 Act, which prohibits any seller from altering emissions control systems. Bricken Decl., 2:1-  
15 6. On July 18, 2023, after discovering the defects, All Track notified Transport, Trucking,  
16 and the Debtors’ principals, Kuldip Singh<sup>6</sup> (“Kuldip”), Surjit Singh<sup>7</sup> (“Surjit”), of its intent  
17 to terminate the APA, demanded a return of the purchase price plus damages and  
18 attorneys' fees, and stated it was ready to turn over the vehicles upon payment. Bricken  
19 Decl., 2:9-12, Ex. 1 ¶ 20.

20 On July 24, 2023, All Track sued the Debtors, Kuldip, and Surjit (“Singh Defendants”)  
21 in Pierce County Superior Court, Department 1 (“Department 1”) in an action styled *All*  
22 *Track Transport USA Inc. v. Singh Bros Transport LLC, et al.*, Cause No. 23-2-08438-7,  
23 seeking rescission of the APA and monetary damages (“Rescission Lawsuit”). Bricken  
24 Decl., 2:11-12; Brain Decl., 2:2-2:4; Singh Decl. Resp., 3:11-14.

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26 <sup>6</sup> Kuldip Singh is the sole member of Express and Transport. Singh Decl. Resp., 2:6.

27 <sup>7</sup> Surjit Singh is the sole member of Trucking. Singh Decl. Resp., 2:7.

1 On July 27, 2023, Department 1 entered a Temporary Restraining Order, Order to  
2 Show Cause, and Order Expediting Discovery (“TRO”), under which the Debtors were  
3 ordered to deposit \$2,000,000 into an escrow account by August 25, 2023. Bricken Decl.,  
4 2:12-15, Ex. 2; Singh Decl. Resp., 3:17-3:18. On August 1, 2023, the Singh Defendants filed  
5 a Notice of Deposit of the funds into the Escrow Account. Bricken Decl., 2:18-21, Ex. 3;  
6 Singh Decl. Resp., 3:19-21. The Notice of Deposit states that between July 28, 2023, and  
7 August 1, 2023, Trucking and Transport deposited a sum of \$1,700,000 into the Escrow  
8 Account. Bricken Decl., Ex. 3. However, according to the record, Transport did not deposit  
9 any funds.<sup>8</sup>

10 On September 1, 2023, Department 1 entered an Order Granting Plaintiff’s Motion for  
11 Preliminary Injunction (“Preliminary Injunction”) and ordered the Debtors to deposit  
12 additional funds into the Escrow Account equal to the full Purchase Price. Bricken Decl.,  
13 2:24-3:2, Ex. 4; Singh Decl. Resp., 4:1-4:6; Singh Decl. Mot., Ex. 1, ECF No. 86. The Singh  
14 Defendants moved for reconsideration of the Preliminary Injunction, claiming they had  
15 insufficient funds to deposit the full \$3,474,585, which Department 1 denied. Bricken  
16 Decl., 3:3-6.

17 On September 23, 2023, T360 and its affiliate Transition360 Real Estate Services LLC  
18 (collectively “Transition”) filed a Motion to Intervene in the Rescission Lawsuit, requesting  
19 a declaration that title to \$496,532, representing the commission funds held in the Escrow  
20 Account, vested in Transition at the closing of the APA transaction. Brain Decl., 2:13-15.  
21 Transition's Motion to Intervene was denied on October 19, 2023, because the court found  
22 that Transition’s claims were sufficiently different and distinct from the claims asserted  
23 by All Track. Brain Decl., 2:15-24.

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25 <sup>8</sup> Instead, Trucking deposited \$1,290,000, and Express, a nonparty to the APA, deposited \$410,000 into  
26 the escrow account. Singh Decl. Resp., 3:17-3:22. Additionally, the remaining balance of \$796,532 in the  
27 escrow account (i.e., the \$300,000 indemnification holdback under the APA as well as the broker’s fee for  
T360 of \$496,532) was deposited bringing the total balance to an amount in excess of the \$2 million required  
by the TRO. Singh Decl. Resp., 3:20-3:22; Brain Decl. 2:7-2:11.

1 On October 20, 2023, Transition filed a separate action in Pierce County Superior Court  
2 Department 5 (“Department 5”), under Cause No. 23-2-10639-9, requesting the same relief  
3 as it requested in its motion to intervene in the Rescission Lawsuit (“Title Lawsuit”). Bricken  
4 Decl., 2:27-3:3.

5 In January 2024, Department 1 entered an order to transfer \$537,612.99 of the funds  
6 held in the escrow account to the Department 1 court registry (“Registry”) to allow interest  
7 to accrue. Bricken Decl., 3:12-13, Ex. 5. A few days later, Department 1 also entered the  
8 parties’ Stipulated Order Granting Motion to Deposit all Remaining escrow funds into the  
9 Court’s Registry in an Interest-Bearing Account under which all funds held in escrow were  
10 ordered to be deposited into the Registry. Bricken Decl., 3:13-16, Ex. 5.

11 Before complying with Department 1’s September 2023 order to deposit additional  
12 funds, the Debtors sought interlocutory discretionary review of the Preliminary Injunction  
13 by the Washington State Court of Appeals, Division II (“Court of Appeals”), in Case No.  
14 58767-0-II. Singh Decl. Resp., 5:2-6; Singh Decl. Mot., 4:11-4:15. On February 15, 2024,  
15 the Court of Appeals determined that discretionary review of the Preliminary Injunction  
16 was warranted under Washington Court of Appeals Rule RAP 2.3(b)(1) despite noting that  
17 such review is based on an abuse of discretion standard and is available only “in those rare  
18 instance where the alleged error is reasonably certain and its impact on the trial is  
19 manifest.” (citations omitted) (“Discretionary Review Ruling”). Singh Decl. Mot., Ex. 2. All  
20 Track subsequently filed several motions challenging the Discretionary Review Ruling,  
21 which were ultimately denied. Singh Decl. Resp., 5:19-23. On September 18, 2024, the  
22 Debtors filed an opening brief in the Preliminary Injunction Appeal. Singh Decl. Resp.,  
23 6:1-2; Singh Decl. Mot., 5:19-20.

24 In February and March 2024, Transport complied with the September 2023  
25 Preliminary Injunction and deposited an additional \$770,000 into the Registry, bringing  
26 the Registry Funds total to approximately \$3.2 million, including interest. Bricken Decl.,  
27 3:23-25.

1 On April 1, 2024, Transition filed a motion for summary judgment in the Title Lawsuit.  
2 Brain Decl., Ex. 4. On May 3, 2024, Department 5 entered an order on Transition's motion  
3 for summary judgment, stating that title was not currently vested in All Track, and the  
4 issue of whether the commissions were earned would be reserved for future resolution,  
5 contingent on the outcome of the Rescission Lawsuit. Brain Decl., Ex. 4. On May 30, 2024,  
6 Department 5 entered a subsequent order on Transition's motion for summary judgment,  
7 clarifying that it had jurisdiction over all parties claiming an interest in and title to  
8 \$496,532 in Registry Funds and that All Track was divested of title to those funds at the  
9 closing of the APA transaction. Brain Decl., Ex. 5. The order further stated that "if it is  
10 proven that some or all of the \$496,532 was not earned, the Singh Defendants would be in  
11 title to the unearned portion of the commission. Brain Decl., Ex. 5.

12 On July 17, 2024, an arbitration award was issued in the Title Lawsuit. Brain Decl.,  
13 5:5-7; Ex. 6. On September 11, 2024, Transition filed a motion to confirm the arbitration  
14 award, and on October 1, 2024, All Track objected to the motion to confirm. Brain Decl.,  
15 6:4-10. All Track's objection stated the following:

16 All Track strongly opposes language in the proposed Judgment that purports  
17 to declare plaintiffs Transition360, LLC and Transition360 Real Estate  
18 Services, LLC (collectively "Transition") as titleholder of Registry funds  
19 because All Track already obtained a final Money Judgment and Order of  
20 Disbursement of those funds in All Track's Rescission Action as discussed  
21 below

21 Brain Decl., 6:7-11.

22 On September 23, 2024, after a three-week bench trial, Department 1 entered its  
23 Findings of Facts and Conclusions of Law, all in favor of All Track on its Rescission  
24 Lawsuit. Bricken Decl., 4:16-17; Singh Decl. Resp., 6:3-4. On September 23, 2024,  
25 Department 1 also entered a money judgment in favor of All Track for \$5,736,404.08 with  
26 interest accruing at 12% against the Singh Defendants ("Judgment"). Bricken Decl., 4:17-  
27

19, Ex. 8. On the same day, it entered an Order Authorizing Disbursement of Registry Funds to Plaintiff (“Disbursement Order”) in which it made the following findings:

- a. As the prevailing party and original payor of such funds under the APA, Plaintiff All Track is entitled to a return of all funds preserved under this Court’s September 1, 2023, Injunction and above-noted Orders and, thus, all such funds shall be promptly returned to Plaintiff All Track.<sup>9</sup>
- b. All funds shall be disbursed solely to Plaintiff All Track’s owner Kan Sandhu, free and clear of claims, upon Mr. Sandhu’s showing of proper identification, no sooner than Oct 3, 2024.

Bricken Decl., Ex. 9.

On October 2, 2024, the Rescission Lawsuit was reassigned to Department 5.<sup>10</sup> Brain Decl., 6:12. On October 4, 2024, the court entered an amended judgment (“Amended Judgment”) on the Rescission Lawsuit, setting the money judgment at \$6,765,693.39 as to Transport, Trucking, Kuldip and Surjit, jointly and severally, and \$218,000 as to Express. Bricken Decl., 5:10-16, Ex. 10; Singh Decl. Resp., 6:4-9.

The Singh Defendants appealed the Amended Judgment by filing their notice of appeal on October 28, 2024 (“Recission Judgment Appeal”). Singh Decl. Resp., 6:13-14; Singh Decl. Mot., 6:9-11.<sup>11</sup> The Singh Defendants also filed an emergency motion in the Court of Appeals seeking approval of alternative security in the form of a pledge of a deed of trust on Express’s commercial property instead of posting a bond to stay the money judgment. Singh Decl. Resp., 6:18-22; Bricken Decl., 5:4-5:7. The Court of Appeals denied the request for alternative security and extended the temporary stay on the disbursement of the

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<sup>9</sup> As noted previously, using the word return in reference to the Registry Funds is a fiction except with respect to the escrow portion of the funds. See supra p. 5 (discussing the source of the Registry Funds).

<sup>10</sup> The record does not indicate why the transfer of the Recission lawsuit from Department 1 to Department was made.

<sup>11</sup> One of the Debtors’ arguments in the Recission Judgment Appeal is that Department 1 misapplied the remedy of rescission by not requiring a return of the property transferred under the APA. All Track disputes the Debtors’ argument.



1 Registry Funds to October 23, 2024, to allow the Singh Defendants time to obtain a  
2 supersedeas bond. Bricken Decl., 5:7-9.

3 On October 9, 2024, the Debtors filed a second emergency motion for alternative  
4 security in place of bond in the Superior Court<sup>12</sup>, claiming that the Express real property  
5 had sufficient equity to secure the Amended Judgment. Bricken Decl., 5:17-20. The court  
6 denied the motion, set the bond amount at \$8,400,000, less the amount of the Registry  
7 Funds, and extended the stay until October 31, 2024, to provide additional time for the  
8 Singh Defendants to secure a bond. Bricken Decl., 5:21-23.

9 The Debtors filed a third emergency motion for alternative security in place of bond,  
10 this time with the Court of Appeals. Bricken Decl., 5:24-6:1. On November 14, 2024, the  
11 Court of Appeals denied the motion and extended the stay until December 13, 2024, to  
12 provide additional time for the Singh Defendants to obtain a bond (“Ruling Denying  
13 Emergency Motion”). Bricken Decl., 6:1-4, Ex. 11; Singh Decl. Resp., 7:1-7:4. Finally, On  
14 December 11, 2024, the Court of Appeals consolidated the Preliminary Injunction Appeal  
15 and the Rescission Judgment Appeal. Singh Decl. Mot., 6:11-14.

### 16 C. BANKRUPTCY PETITIONS

17 On November 15, 2025, Express, Kuldip, and Surjit each filed chapter 11 petitions; on  
18 November 22, 2025, Transport and Trucking each filed chapter 11 petitions. Bankr. Case  
19 Nos. 24-42600-MJH; 24-42602-MJH; 24-42603-MJH; 24-42676-MJH; 24-42678-MJH.  
20 Thereafter, the Debtors filed their schedules, each reflecting some interest either in the  
21 Registry Funds, in the Appeals, or both.<sup>13</sup>

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22 <sup>12</sup> The Court uses the term “Superior Court” when it is unclear in the record whether Department 1 or  
23 Department 5 took the specific action.

24 <sup>13</sup> Bankr. Case No. 24-42600-MJH, ECF No. 55 at 8, ECF No. 56 at 6 (Express’s asset schedules  
25 referencing an interest in the Appeals and Statement of Financial Affairs referencing the transfers of the  
26 Registry Funds); Bankr. Case No. 24-42602, ECF No. 19 at 34 (Kuldip’s Statement of Financial Affairs  
27 referencing the transfer of the Registry Funds); Bankr. Case No. 24-42603, ECF No. 17 at 30 (Surjit’s  
Statement of Financial Affairs referencing the transfer of the Registry Funds); Bankr. Case No. 24-42676-  
MJH, ECF No. 14 at 8, ECF No. 15 at 6 (Transport’s asset schedules referencing a contingent interest in  
the Registry Funds and Statement of Financial Affairs referencing the transfers of the Registry Funds);  
Bankr. Case No. 24-42678-MJH, ECF No. 13 at 8, ECF No. 14 at 6 (Trucking’s asset schedules referencing

1 On December 13, 2024, Express filed an *ex parte* motion for joint administration with  
2 Transport and Trucking. Bankr. Case No. 24-42600-MJH, ECF No. 47. On December 16,  
3 2024, Kuldip filed an *ex parte* motion for joint administration with Surjit. Bankr. Case No.  
4 24-42602-MJH, ECF No. 17. On the same day, the Court entered an order granting the  
5 motions for joint administration for the Corporate Debtors. Bankr. Case No. 24-42600-  
6 MJH, ECF Nos. 50-52. On December 17, 2024, the Court entered an order granting the  
7 motion for joint administration for the Individual Debtors. Bankr. Case No. 24-42602-  
8 MJH, ECF Nos. 21-22.

9 **1. All Track's Motions.**

10 On January 3, 2025, All Track filed its Motions seeking relief from stay with respect to  
11 the Registry Funds. Bankr. Case No. 24-42600-MJH, ECF No. 70; Bankr. Case No. 24-  
12 42602-MJH, ECF No. 43. On January 29, 2025, Transition360 filed a response to All  
13 Track's Motions in the Corporate Debtors' case opposing All Track's Motions based on their  
14 asserted interest in the Registry Funds, which is one of the issues pending before the Court  
15 of Appeals. Bankr. Case No. 24-42600-MJH, ECF No. 98. On January 30, 2025, the United  
16 States Trustee filed a limited response to All Track's Motions in the Corporate Debtors'  
17 case, Bankr. Case No. 24-42600-MJH, ECF No. 104, and on the same day, the Debtors  
18 filed their response to All Track's Motions in the Corporate Debtors' case. Bankr. Case No.  
19 24-42600-MJH, ECF No. 105. On January 30, 2025, the Debtors also filed their response  
20 to All Track's Motions in the Individual Debtors' case. Bankr. Case No. 24-42602-MJH,  
21 ECF No. 57. Finally, on February 3, 2025, All Track filed its reply in support of its Motions  
22 in the Corporate Debtors' case. Bankr. Case No. 24-42600-MJH, ECF No. 123.

23  
24  
25  
26 a contingent interest in the Registry Funds and Statement of Financial Affairs referencing the transfers of  
27 the Registry Funds).

1           **2. The Debtors' Motion.**

2           The Corporate Debtors filed the Debtors' Motion on January 15, 2025, and the  
3 Individual Debtors filed a joinder to the Debtors' Motion on January 16, 2025. Bankr. Case  
4 No. 24-42600-MJH, ECF Nos. 85 and 88. On January 30, 2025, All Track filed a response  
5 to the Debtors' Motion. Bankr. Case No. 24-42600-MJH, ECF No. 112. On February 3, the  
6 Debtors filed a reply in support of their Motion. Bankr. Case No. 24-42600-MJH, ECF No.  
7 127.

8           On February 6, 2025, the Court held a hearing on All Track's and the Debtors' Motions,  
9 stated that the Debtors were likely to prevail on the Motions, and took the Motions under  
10 advisement.

11                           **III. DISCUSSION AND CONCLUSIONS OF LAW**

12           **A. ALL TRACK'S MOTIONS – IN GENERAL**

13           Upon the filing of a bankruptcy petition, § 362(a) stays a broad range of proceedings  
14 against the debtor, including acts to obtain possession or control over **property of the**  
15 **estate**. 11 U.S.C. § 362(a)(1) and (3) (emphasis added). The automatic stay prohibiting  
16 acts against property of the estate continues until **such property is no longer property**  
17 **of the estate**. 11 U.S.C. § 362(c)(1) (emphasis added). Conversely, property that is not  
18 property of the estate is not protected by the automatic stay.

19           All Track's Motions request that the Court enter an order granting it relief from stay  
20 with respect to the Registry Funds under § 362(d)(1) for cause based on its assertion that  
21 the Registry Funds are not property of the estate and that, therefore, the automatic stay  
22 does not apply. All Track also seeks relief from stay under § 362(d)(2), asserting that the  
23 Debtors lack equity in the Registry Funds and such funds are not necessary for an effective  
24 reorganization. The Court will address these arguments separately.

1       **B. ALL TRACK’S § 362(D)(1) REQUEST**

2           **1. Threshold Issue and Burden of Proof.**

3       Section 362(d)(1) states that “the court shall grant relief from the stay . . . (1) for cause,  
4 including the lack of adequate protection of an interest in property of such party in  
5 interest.” Relief from stay matters are determined pursuant to motions brought under  
6 Rules 4001(a)(1) and 9014 within restrictive time constraints. The sole argument that All  
7 Track makes under § 362(d)(1) is that cause exists because the Registry Funds are not  
8 property of the estate based on its assertion that upon entry of the Judgment, the Debtors  
9 lost any contingent interest they had in the funds, and as the prevailing party, it is entitled  
10 to the Registry Funds.

11       In essence, under the guise of a contested matter under Rule 9014 and § 362(d)(1), All  
12 Track seeks entry of a declaratory judgment that the Registry Funds are not property of  
13 the estate. This is further sought under a complex, incomplete, and confusing factual  
14 record involving orders from two separate departments of the Washington State Superior  
15 Court, which are the subject of three separate consolidated appeals pending before the  
16 Washington Court of Appeals. All Track cites no provision of the Code or Bankruptcy Rules  
17 or binding precedent that directs or authorizes a bankruptcy court to enter an order  
18 declaring the automatic stay inapplicable because property is not property of the estate in  
19 the context of a motion for relief from stay. In fact, Rule 7001(2) specifically requires an  
20 adversary proceeding “to determine the validity, priority, or extent of a lien or other  
21 interest in property” with all the procedural protections and time frames of a civil lawsuit  
22 under the applicable Federal Rules of Bankruptcy Procedure (which substantially  
23 incorporate the corresponding Federal Rules of Civil Procedure).

24       Under such a proceeding, All Track, as the moving party, would have the burden of  
25 proof on whether the Registry Funds are property of the estate. *See Pacific Portland*  
26 *Cement Co. v. Food Mach. & Chem. Corp.*, 178 F.2d 541, 547 (9th Cir.1949) (“It is a  
27

1 fundamental rule that the burden of proof in its primary sense rests upon the party who,  
2 as determined by the pleadings, asserts the affirmative of an issue....”).

3 By comparison, a hearing on a motion for relief from stay is merely a summary  
4 proceeding of limited effect. *First Fed. Bank of Cal. v. Robbins (In re Robbins)*, 310 B.R.  
5 626, 631 (9th Cir. BAP 2004), In relief from stay motions, for example, a bankruptcy court  
6 is not authorized to enter an *in rem* order that determines property interests. *In re*  
7 *Johnson*, 346 B.R. 190, 195–96 (9th Cir. BAP 2006) (holding in the context of § 362 stay  
8 relief); *see also In re Cogliano*, 355 B.R. 792, 805 (9th Cir. BAP 2006) (concluding that  
9 whether property is property of the estate cannot be determined in a contested matter).  
10 Instead, a court hearing a relief from stay motion should seek only to determine whether  
11 the party seeking relief has a colorable claim to property of the estate. *In re Veal*, 450 B.R.  
12 897, 914 (9th Cir. BAP 2011). In a motion for relief from stay, the movant has the burden  
13 of proof on the issue of the debtor's equity in the property, and the party opposing such  
14 relief has the burden of proof on all other issues. 11 U.S.C. § 362(g); *In re Gould*, 401 B.R.  
15 415, 426 (9th Cir. BAP 2009), *aff'd*, 603 F.3d 1100 (9th Cir. 2010).

16 Given that All Track is seeking relief outside the bounds of what is permissible under  
17 Rule. 9014 and § 362(d), the Court is wary of placing the burdens of proof prescribed under  
18 § 362(g) upon the Debtors. However, notwithstanding the defects of All Track’s Motions,  
19 the Court need not decide whether the Registry Funds are property of the estate with any  
20 preclusive effect, but instead, only whether All Track has established a colorable claim to  
21 property of the estate and whether, under the same burden of proof standards, the Debtors  
22 have rebutted such showing under § 362(g)(2). Accordingly, the Court concludes it may  
23 narrowly rule on All Track’s Motions for relief from stay.

24 ***a. Contingent future interests are property of the estate.***

25 Property of the estate includes “all legal and equitable interest of the debtor in property  
26 as of the commencement of the case.” 11 U.S.C. § 541. Whether the bankruptcy estate has  
27 an interest in property is determined by looking at the debtor's legal and equitable

1 property rights on the date of the bankruptcy filing, as established under state law. *See*  
2 *Cogliano*, 355 B.R. at 800–01 (citing *Butner v. United States*, 440 U.S. 48, 54–55 (1979)).  
3 Whether a debtor does or does not include property in its schedules is irrelevant as to  
4 whether it is property of the estate. *See In re Pace*, 146 B.R. 562, 566 (9th Cir. BAP 1992).

5 Under Washington state law, the definition of property includes “everything, whether  
6 tangible or intangible, subject to ownership.” Wash. Const. art. VII, § 1. The state  
7 constitution is extremely broad, encompassing anything capable of ownership. *Quinn v.*  
8 *State*, 526 P.3d 1, 27 (Wash. 2023), *cert. denied*, 144 S. Ct. 680, 217 L. Ed. 2d 381 (2024).  
9 A contingent interest is an interest that depends on the occurrence of a future event or  
10 uncertain condition. *In re Quick's Est.*, 33 Wn. 2d 568, 571 (1949). A contingent interest  
11 exists even if such an uncertain future event never takes effect. *See Shufeldt v. Shufeldt*,  
12 130 Wn. 253, 267 (1924). “[The] definition of property of the estate has been broadly  
13 construed to encompass a debtor's contingent interest . . . even if that interest is reliant  
14 on future contingencies that have not occurred as of the filing date.” *Anderson v. Rainsdon*  
15 (*In re Anderson*), 572 B.R. 743, 747 (9th Cir. BAP 2017). Accordingly, if the Debtors hold  
16 a contingent future interest in the Registry Funds, then it is property of the estate under  
17 § 541(a)(1), and All Track’s request for relief from stay under § 362(d)(1) must be denied.

18 ***b. In re Pettit is inapplicable to this case, and the Debtors have***  
19 ***established that they hold a contingent interest in the Registry Funds.***

20 In support of its argument, All Track cites *In re Pettit* as dispositive that the Registry  
21 Funds are not property of the estate. *See In re Pettit*, 217 F.3d 1072 (9th Cir. 2000). In  
22 *Pettit*, after the debtors sued to recover for an alleged stay violation, the Ninth Circuit  
23 Court of Appeals held that certain registry funds posted by the debtors were not property  
24 of the bankruptcy estate at the time the Pettits filed their bankruptcy petitions. *Id.* at  
25 1080. It reasoned that the Pettits' property interest in the registry funds was extinguished  
26 when the jury ruled against them and upon entry of an adverse judgment. *Id.* at 1078. In  
27 *Pettit*, the debtors voluntarily deposited the funds to be held as judgment security, did not

1 appeal the deposit, or have any right to challenge the deposit of the funds. *Id.* Accordingly,  
2 once the adverse judgment was entered, the Pettits lost any legal or equitable interest in  
3 the funds. *Id.* Furthermore, the district court's order to release the funds, signed before  
4 the bankruptcy filing, further extinguished any remaining interest. *Id.* at 1080. All Track  
5 asserts that this case is the same as *Pettit* because the Judgment was entered before the  
6 Debtors filed bankruptcy, extinguishing any contingent interest in the Registry Funds.

7 The Debtors assert that they still have a contingent future interest in the Registry  
8 Funds. They claim that the future contingency is the outcome of the Appeals. Restated, if  
9 the Debtors succeed, they may be entitled to some, if not all, of the Registry Funds. Second,  
10 the Debtors assert that, unlike in *Pettit*, the Disbursement Order was stayed by the Court  
11 of Appeals and thus had no effect after the Debtors filed their petitions, further preserving  
12 their future contingent interest in the Registry Funds.

13 The Court finds that this case is factually distinct from *Pettit*. First, the *Pettit* debtors  
14 voluntarily placed the funds in the registry to secure any future judgment. Although *Pettit*  
15 indicates the debtors voluntarily placed the funds in the registry to prevent the district  
16 court from ruling on and granting a pending motion for a prejudgment writ of attachment,  
17 the fact remains that the Pettits agreed to it. The facts in this case are starkly different.  
18 The Debtors were compelled to place the Registry Funds into the Escrow Account and then  
19 into the Registry by court order. Moreover, they sought an interlocutory appeal of that  
20 order, which was granted and is still pending before the Court of Appeals on the issue of  
21 whether the Preliminary Injunction was proper in the first place.

22 Second, in *Pettit*, neither the underlying judgment nor the order of disbursement were  
23 stayed pending appeal. After the trial, the district court denied the Pettits' post-judgment  
24 motions before ordering the release of the balance of the registry funds, and the Pettits  
25 withdrew their request for a stay pending appeal. The Pettits filed for bankruptcy shortly  
26 after the order of disbursement was entered. Here, the Debtors have appealed the  
27 Amended Judgment, which is pending, and made several attempts to post a supersedeas

1 bond with alternate security before filing bankruptcy. In other words, whether  
2 enforcement of the court's orders would be stayed was an unresolved issue when the  
3 Debtors filed their bankruptcy petitions.

4 Third, in *Pettit*, the order of disbursement was in full effect when the Pettits filed for  
5 bankruptcy. The district court signed the order of disbursement after the Pettits withdrew  
6 their request for a stay pending appeal. The Pettits were no longer seeking a stay of  
7 execution of the funds in the registry, and the "ministerial act" was the clerk's office  
8 issuing the check postpetition. Here, the Court of Appeals entered a prepetition ruling,  
9 which administratively stayed the Disbursement Order until December 13, 2024.  
10 Therefore, at the time of the bankruptcy filings, the Disbursement Order was  
11 administratively stayed.

12 Finally, in *Pettit*, *the registry funds cannot* be counted towards the supersedeas bond  
13 amount. Notably, however, the *Pettit* court acknowledged that if the district court had  
14 permitted the debtors to use the funds as a portion of a new supersedeas bond for the  
15 appeal, it "would have created a new contingent property interest" in the funds. *Pettit*, 217  
16 F.3d at 1079. From all appearances, that is what happened here. Although there is nothing  
17 in the record directly from the Superior Court stating the Debtors could count the Registry  
18 Funds towards the bond amount, the Court of Appeals' decision denying the Debtors'  
19 emergency motion stated that the "decision under RAP 8.1(b) require[d] Singh Bros to  
20 obtain a supersedeas bond of \$8.4 million (**less the amount already in the court**  
21 **registry**), in order to secure a stay of the \$6.77 million judgment on appeal." Bricken  
22 Decl., Ex. 11 (emphasis added). Therefore, under *Pettit's* specific reasoning, the Debtors  
23 have an additional argument to support their claim of a contingent interest in the Registry  
24 Funds.

25 For the foregoing reasons, this Court finds that this case is substantively different from  
26 *Pettit* and concludes that *Pettit's* holding is inapplicable. The Court further finds that  
27 based upon the undisputed facts, the Debtors have established that they likely have a



1 contingent property interest in the Registry Funds that may vest in the Debtors pending  
2 the conclusion of the Appeals. Accordingly, to the extent that All Track's Motions seek  
3 relief for cause, the Court concludes that cause does not exist to grant All Track relief from  
4 stay under § 362(d)(1).

5 **2. Section 362(d)(2) Argument.**

6 Section 362(d)(2) states that "the court shall grant relief from stay . . . if – (A) the debtor  
7 does not have any equity in such property, and (B) such property is not necessary to an  
8 effective reorganization." "Both elements of the test must be met: there must be no equity,  
9 and the property must be unnecessary for effective reorganization." 3 *Collier on*  
10 *Bankruptcy* P 362.07. As provided in § 362(g)(1), the moving party has the burden of proof  
11 on the issue of the debtor's equity in the property. Once a movant establishes that a debtor  
12 has no equity in a property, "it is the burden of the debtor to establish that the collateral  
13 at issue is necessary to an effective reorganization." *United Sav. Ass'n of Tex. v. Timbers*  
14 *of Inwood Forest Assocs., Ltd.*, 484 U.S. 365, 375 (1988).

15 **a. The Debtors lack equity in the Registry Funds.**

16 A debtor has no equity in the property for purposes of § 362(d)(2) when the debts  
17 secured by liens on the property exceed the value of the property. *Stewart v. Gurley*, 745  
18 F.2d 1194, 1195 (9th Cir. 1984). A motion for relief from stay is of limited scope. Therefore,  
19 in the context of a disputed claim pending appeal, the validity of the underlying claim is  
20 not litigated during the stay relief hearing. *See First Fed. Bank of Cal. v. Robbins (In re*  
21 *Robbins)*, 310 B.R. 626, 631 (9th Cir. BAP 2004).

22 Under its § 362(d)(2) argument, All Track argues that to the extent the Registry Funds  
23 are property of the estate, the Court should grant relief from stay under § 362(d)(2). It  
24 asserts that the Registry Funds are insufficient to pay the full amount of its Amended  
25 Judgment, and, therefore, the Debtors lack equity in the Registry Funds. Specifically, All  
26 Track asserts that it holds a claim of approximately \$6.7 million, and the Registry Funds  
27 are approximately \$3.2 million. The Debtors do not assert otherwise in their response and

1 appear to concede they presently lack equity in the Registry Funds by stating that they  
2 represent approximately 45% of All Track's claim. However, the Debtors assert that All  
3 Track's claim is subject to setoff and could be significantly reduced upon resolution of the  
4 Appeals, giving the Debtors equity in the Registry Funds. Accordingly, the Court finds  
5 that All Track has established that the Debtors currently lack equity in the Registry Funds  
6 under the current facts.

7 ***b. The Registry Funds are necessary for an effective reorganization.***

8 All Track has met its burden of establishing that the Debtors lack equity in the Registry  
9 Funds. Therefore, the Debtors must establish that the property is necessary for an  
10 effective reorganization. This means there "must be a reasonable possibility of a successful  
11 reorganization within a reasonable time" and that the property at issue is necessary for  
12 that reorganization. *Timbers of Inwood Forest Assocs.*, 484 U.S. at 375–76. A debtor's  
13 burden under § 362(d)(2) increases as the case progresses. *Id.* In the early stages of the  
14 case, "the burden of proof . . . is satisfied if the debtor can offer sufficient evidence to  
15 indicate that a successful reorganization within a reasonable time is 'plausible.'" *In re Sun*  
16 *Valley Newspapers, Inc.*, 171 B.R. 71, 75 (9th Cir. BAP 1994) (quoting *In re Holly's Inc.*,  
17 140 B.R. 643, 700 (Bankr. W.D. Mich. 1992)).

18 While the Debtors' plan has not been filed, at the February 6, 2025 hearing, counsel for  
19 the Debtors stated on the record that a disclosure statement and plan would be filed before  
20 the end of the exclusivity period under § 1121(b), and Debtors assert that the Registry  
21 Funds are necessary for that reorganization. The Debtors allege they can revive their  
22 freight hauling business if successful on appeal and the assets transferred under the APA  
23 are returned. Furthermore, they may be entitled to a return of at least a portion of the  
24 Registry Funds, and any of the Registry Funds claimable by the Debtors could be used for  
25 estate administration and eventual distribution under a confirmed plan. Furthermore,  
26 counsel for the Debtors stated that the Debtors would propose a 100 percent plan of  
27 reorganization, which would involve contributions from a nondebtor affiliate to pay plan

1 payments pending the outcome of the Appeals. Conversely, if the Debtors lose on appeal,  
2 the Registry Funds will be setoff against the remainder of All Track's judgment lien under  
3 § 553, and the unsecured balance of All Track's claim will be paid pursuant to the plan's  
4 terms.

5 The Court agrees that the Registry Funds are necessary for the Debtors' reorganization  
6 under either scenario. The Court finds that the Debtors have established a reasonable  
7 possibility of a successful reorganization within a reasonable time and that the Registry  
8 Funds are necessary for that reorganization. Accordingly, All Track is not entitled to relief  
9 from stay under § 362(d)(2).

### 10 C. THE DEBTORS' MOTION

11 The Debtors request that the Court grant it relief from stay solely so that it may  
12 proceed with the Appeals. In support of their argument, the Debtors assert that cause  
13 exists for three reasons: (1) they have already filed their opening brief in the Preliminary  
14 Injunction Appeal; (2) continuing the Appeals will resolve issues in this case and move  
15 this case forward; and (3) the Appeals will not prejudice any of the parties. In response to  
16 the Debtors' argument, All Track asserts that the Court should deny relief because the  
17 Debtors filed these cases in bad faith and reasserts its argument that the Registry Funds  
18 are not property of the estate.

19 Generally, a relief from stay motion is typically filed by a creditor. However, the stay  
20 applies to "all entities, of (1) the commencement or continuation, . . . of a judicial . . . action  
21 or proceeding against the debtor that was or could have been commenced before the  
22 commencement of the case under this title." 11 U.S.C. § 362(a)(1). In the Ninth Circuit,  
23 § 362(a) operates as a stay of "appeals by the debtor when the original proceeding was  
24 brought against the debtor." *Ingersoll-Rand Fin. Corp. v. Miller Min. Co., Inc.*, 817 F.2d  
25 1424, 1426 (9th Cir. 1987). Thus, it is appropriate for the Debtors to seek relief from stay  
26 to pursue the Appeals.

As stated above, cause is determined on a case-by-case basis. *MacDonald*, 755 F.2d at 717. In the Ninth Circuit, the *Curtis* factors “are appropriate, nonexclusive, factors to consider in deciding whether to grant relief from the automatic stay to allow pending litigation to continue in another forum.” *Kronemyer*, 405 B.R. at 921. The *Curtis* Factors are as follows:

- (1) Whether the relief will result in a partial or complete resolution of the issues;
- (2) The lack of any connection with or interference with the bankruptcy case;
- (3) Whether the foreign proceeding involves the debtor as a fiduciary;
- (4) Whether a specialized tribunal has been established to hear the particular cause of action and whether that tribunal has the expertise to hear such cases;
- (5) Whether the debtor’s insurance carrier has assumed full financial responsibility for defending the litigation;
- (6) Whether the action essentially involves third parties, and the debtor functions only as a bailee or conduit for the goods or proceeds in question;
- (7) Whether the litigation in another forum would prejudice the interests of other creditors, the creditor’s committee, and other interested parties;
- (8) Whether the judgment claim arising from the foreign action is subject to equitable subordination;
- (9) Whether movant’s success in the foreign proceeding would result in a judicial lien avoidable by the debtor under Section 522(f);
- (10) The interests of judicial economy and the expeditious and economical determination of litigation for the parties;
- (11) Whether the foreign proceedings have progressed to the point where the parties are prepared for trial and;
- (12) The impact of the stay and the “balance of hurt.”

*In re Curtis*, 40 B.R. 795, 799-800 (Bankr. D. Utah 1984). The Court finds that factors 3, 5, 6, 8, and 9 are inapplicable to the Debtors’ Motion, and the relevant factors are 1, 2, 4, 7, 10, 11, and 12.

**1. Factor 1: Granting the Debtors’ Motion may partially resolve the issues.**

The first *Curtis* factor weighs in favor of granting the Debtors’ Motion. At heart, this dispute involves state law issues related to the Superior Court litigation. The parties agree that the Debtors filed their bankruptcy cases primarily because of the Superior Court

1 litigation and pending Appeals. Furthermore, absent a settlement, any confirmed plan  
2 likely will not be fully implemented without resolving the Appeals. Therefore, allowing the  
3 Debtors to proceed with the Appeals will necessarily begin resolving some, if not all, of the  
4 issues between the Debtors and All Track.

5 **2. Factor 2: The Appeals are directly related to this case.**

6 The second *Curtis* factor also weighs in favor of granting the Debtors' Motion. It is  
7 undisputed that the dispute between the Debtors and All Track caused the Debtors to file  
8 for bankruptcy. According to the Debtors' counsel's statements at the February 6, 2025,  
9 hearing, the Debtors admittedly filed this case to preserve its interests in the Registry  
10 Funds and other assets while pursuing the Appeals. It is also undisputed that the terms  
11 of the Debtors' proposed plan will be directly tied to the outcome of the Appeals. Although  
12 not yet filed, the Debtors have stated their intention to file a 100 percent plan. This would  
13 require full payment of All Track's allowed claim, which the Appeals will also determine.  
14 Thus, granting the Debtors' Motion and allowing the Appeals to proceed is necessary for  
15 any proposed plan's implementation.

16 **3. Factor 4: The Appeals are before the Washington State Court of**  
17 **Appeals.**

18 The fourth *Curtis* factor also weighs in favor of granting the Debtors' Motion. The  
19 Debtors have stated unequivocally that they are determined to continue with the Appeals.  
20 This Court cannot rule on the issues involved in the pending Appeals; these issues can  
21 only be resolved by the Court of Appeals. Moreover, the Debtors are exercising their rights  
22 to appeal a lower court judgment under Washington State law. As stated in more detail  
23 below, proceeding with the Appeals does not directly harm All Track and will likely move  
24 this case toward resolution. Additionally, counsel for the Debtors and Transition indicated  
25 at the February 6, 2025 hearing that resolution of the Appeals will likely take an  
26 additional 12-18 months. Thus, because the resolution of the Appeals is critical to the  
27

Debtors' reorganization and resolution and payment of All Track's claim, permitting the Appeals to proceed is appropriate.

**4. Factor 7: Granting the Debtors' Motion does not prejudice All Track.**

The seventh *Curtis* factor weighs heavily in favor of granting the Debtors' Motion. The Debtors assert that granting it relief from stay will not prejudice any party. The Court recognizes that permitting the Debtors to proceed with the Appeals, without having to post a supersedeas bond, permits them to avail themselves of even greater stay protection because of the bankruptcy filing than existed out of bankruptcy. After all, the purpose of the supersedeas bond is to protect parties, like All Track, from additional harm while an appeal is pending. This is why the Superior Court set a bond amount of approximately 8.4 million. However, the bankruptcy filing, not the continuation of the Appeals, alleviated the need for the bond. The Debtors' good faith in filing is not an issue that can or should be decided within the context of a § 362 motion. Whether the filing was improper is irrelevant to the Court's analysis of the Debtors' Motion, and no party has filed a motion to dismiss based on bad faith. As such, the Court reasons that All Track is not prejudiced if the Court grants the Debtors' Motion and allows the Appeals to proceed.

**5. Factor 10: Granting the Debtors' Motion is in the interests of judicial economy.**

The tenth *Curtis* factor weighs in favor of granting the Debtors' Motion. As stated, if the Debtors can confirm a plan, its implementation will rely on the outcome of the Appeals, which will take at least 12-18 months to complete. All Track has not argued otherwise, and this Court determines that permitting the Appeals to resume is in the interest of judicial economy. Therefore, it makes prudent sense to let that process continue rather than holding up the Appeals pending plan confirmation or dismissal of this case.

**6. Factor 11: The consolidated appeal is in the early stages, and the issues are not fully briefed.**

1 The eleventh *Curtis* factor weighs in favor of granting Debtors’ Motion. Generally, this  
2 factor weighs against granting relief when the foreign proceedings are in the early stages,  
3 which is the case here. The parties have begun briefing the Preliminary Injunction Appeal,  
4 but it appears that the other issues are not briefed. However, given the estimated time to  
5 resolve the Appeals and its importance to this bankruptcy case, allowing the parties to  
6 proceed with the briefing schedule provided by the Court of Appeals is appropriate.

7 **7. Factor 12: The “balance of hurt” factor weighs in favor of granting the**  
8 **Debtors’ Motion.**

9 The twelfth *Curtis* factor also weighs in favor of granting the Debtors’ Motion. As stated  
10 in the discussion of Factors 2 and 7, the success of the Debtors’ reorganization and  
11 payment of All Track’s allowed claim in full appears to depend on the outcome of the  
12 Appeals. If the Appeals are resolved in its favor, All Track is potentially harmed by not  
13 having access to the Registry Funds and the lack of a supersedeas bond—not by allowing  
14 the Appeals themselves to proceed. On the other hand, in denying All Track’s Motions, the  
15 status quo is preserved with respect to the Registry Funds, as releasing the funds to All  
16 Track without protection could result in the loss of such funds if the Debtors or Transition  
17 prevail on the Appeals.

18 In conclusion, the Court holds that the *Curtis*’ factors weigh in favor of granting the  
19 Debtors’ Motion. The Debtors have a colorable interest in pursuing the Appeals as they  
20 have a right to appeal under Washington state law; completing the Appeals is necessary  
21 for the consummation of a plan of reorganization, and allowing the Debtors to proceed does  
22 not directly harm All Track. Furthermore, the Court of Appeals is the only court that can  
23 rule on the Appeals. Given the close relationship of the Appeals to the bankruptcy cases,  
24 granting the Debtors’ Motion also serves the interests of judicial economy. Accordingly,  
25 the Court will grant the Debtors’ Motion.

1 **IV.CONCLUSION**

2 The Court holds that the Debtors have met their burden to establish that cause does  
3 not exist to grant relief from stay to All Track and that the Registry Funds are necessary  
4 for their reorganization. Accordingly, the Court denies All Track's Motions. The Court  
5 further holds that All Track has failed to establish that cause does not exist to deny the  
6 Debtors' Motion. Accordingly, the Court grants the Debtors' Motion. The Court shall enter  
7 an order for each Motion in accordance with and incorporating this Memorandum  
8 Decision.

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10 /// End of Memorandum Decision/ / /  
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